

WHEN THE CHINESE COME OUT TO SHOP

CAPTURING SPENDING IN MALLS AND ABROAD

The growth in online shopping in China is huge: since 2011 spending online has grown seven-fold from 0.5 trillion yuan in 2010 to 3.8 trillion yuan in 2015, according to iResearch Global. But Oliver Wyman research suggests that there are opportunities for both domestic and international retailers to win a share of the Chinese spend without having to try to compete with online giants. Two ways of doing this are to take advantage of the growth and popularity of malls and to serve the needs of Chinese shoppers travelling overseas.

SHOPPING AT HOME

We audited malls in 50 Chinese cities. Our results show that, despite the growing popularity of online shopping, malls are popular where they combine shopping with dining and entertainment options. These are the types of malls retailers should look to invest in.



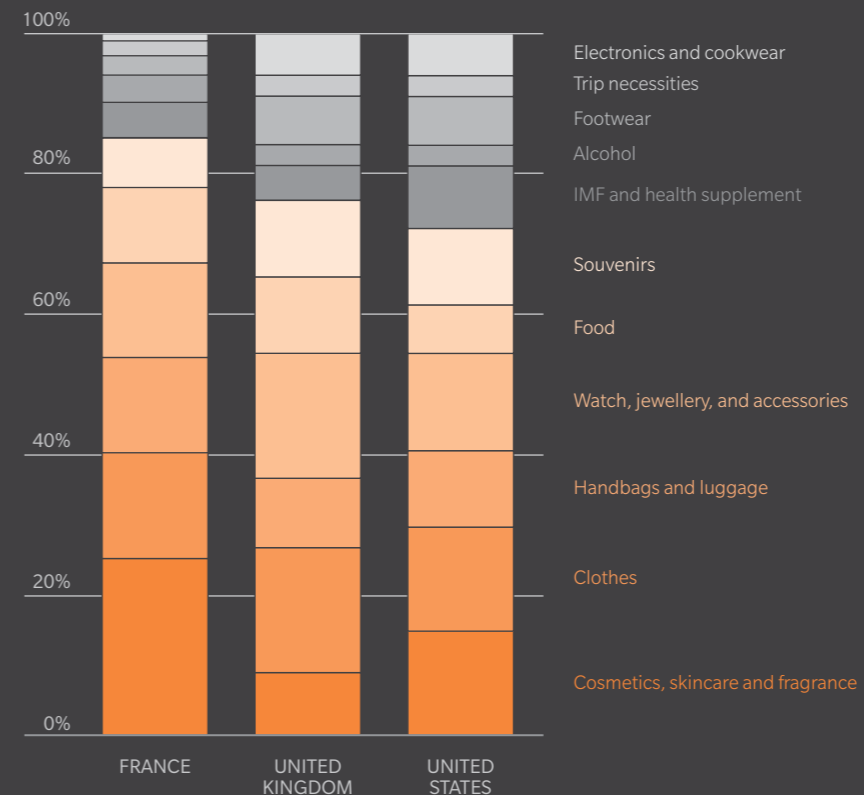
SHOPPING OVERSEAS

We also surveyed 1,750 Chinese people who had traveled abroad in the past year and found Chinese travelers spend around \$1,200 per person on shopping. To capture this spend, it is important retailers engage with potential customers while they are still in China and demonstrate the authenticity, good quality, and a reasonable pricing of their products.

Here's where the Chinese shop when they travel...



...and here's how they spending varies across three destinations



The 2015 increase in spending by Chinese travelers



The percentage of overseas spending that is done for others – either as gifts or to resell back home